

University of Mississippi
eGrove

Newsletters

American Institute of Certified Public Accountants
(AICPA) Historical Collection

1-1-1973

Washington report, vol. 1 no.24, June 18, 1973

American Institute of Certified Public Accountants. Federal Information

Wade S. Williams

Follow this and additional works at: https://egrove.olemiss.edu/aicpa_news



Part of the [Accounting Commons](#), and the [Taxation Commons](#)

Recommended Citation

American Institute of Certified Public Accountants. Federal Information and Williams, Wade S., "Washington report, vol. 1 no.24, June 18, 1973" (1973). *Newsletters*. 379.

https://egrove.olemiss.edu/aicpa_news/379

This Article is brought to you for free and open access by the American Institute of Certified Public Accountants (AICPA) Historical Collection at eGrove. It has been accepted for inclusion in Newsletters by an authorized administrator of eGrove. For more information, please contact egrove@olemiss.edu.

AICPA *Washington Report*

June 18, 1973

Volume I, Issue 24

AGRICULTURE, DEPARTMENT OF

Proposed regulations affecting cooperative marketing associations have recently been issued in the 6/13/73 Fed. Reg. (p. 15521). Among the provisions to be included in the "eligibility requirements" is one to furnish annual information to include "a complete audit report prepared by a certified public accountant representing an actual audit of the books and accounts of the cooperative." Further information or comments on the proposed amendments should be directed to Edward D. Hughes, Director, Commodity Loan and Service Division, USDA, Washington, D.C. 20250.

COMMERCE, DEPARTMENT OF

Legislation has been introduced in the House which takes the special impact programs out of the expiring OEO and transfers them to the Commerce Department. The bill (HR 8556) includes provisions for technical and management assistance grants for various services, including counseling services.

The audit provisions are contained in Section 6 of the bill and would provide for audits by the Secretary or Comptroller General's representatives.

Senator Tower (R-Tex.) has introduced a bill (S. 1941) for minority business enterprise legislation. As in the case of the House bill "model audit language" has not been included.

OMBE planned programs are contained in testimony given by the acting director which was submitted during House Appropriation Subcommittee hearings held earlier this year on the Commerce Department budget (See pages 430-471, Vol. 3).

A proposed grant program for coastal zone management is contained in the 6/13/73 Fed. Reg., p. 15588. The proposed regulations do not contain a reference to OMB Circular A-102 or other reference to independent audits.

COST OF LIVING COUNCIL

A new publication entitled "Freeze and Phase IV" dated 6/13/73 has been distributed. It includes the President's address, the Executive Order 11723 and an economic program fact sheet in addition to Q and A's, proposed legislation and amended regulations. It also provides some information on the special "Freeze Group" being established within the CLC.

The publication is available through GPO bookstores for 65¢ a copy.

FEDERAL ENERGY AGENCY

An Administration proposal for streamlining the nation's approach to natural resources management is being prepared. It would be a new Department of Energy and Natural Resources and its head would have Cabinet rank. It would very likely absorb such agencies as the USDA's Forest Service, as well as the National Oceanic and Atmospheric Administration of the Commerce Department, and virtually all of the Interior Department.

The President in his message to Congress on energy needs a few months ago suggested such a plan. More recently, Secretary of the Interior, Rogers Morton, has stated that the proposal has been advanced in greater detail.

FINANCIAL ACCOUNTING STANDARDS BOARD

Task Force assignments have been made in the case of reporting by diversified companies and another to study accounting for foreign currency translation. Arthur Litke will head the group on diversified companies; Donald J. Kirk will head the other.

GENERAL ACCOUNTING OFFICE

A GAO investigation into the matter of "contracting out" has been initiated. The investigation has been undertaken at the request of the House Civil Service Manpower Subcommittee which has expressed concern over the Nixon Administration's apparent stepping-up of the practice of turning certain work over to the private sector with a resulting affect of wiping out civil service jobs.

HEALTH, EDUCATION AND WELFARE, DEPARTMENT OF

A federal grants program for Health Profession Schools in financial distress is set forth in proposed rules in the 6/14/73 Fed. Reg., p. 15628. The audit requirement is stated in section 57.1211 and would permit either departmental auditors, their representatives or GAO auditors to conduct necessary audits. Comments on the proposed rules are due by 7/16/73.

The revenue sharing proposal for education has been withdrawn by the Administration. Entitled the "Better Schools Act of 1973," the measure has drawn virtually no support from either the educational establishment or Republicans on the congressional education committees. As proposed, the bill would have compiled 32 existing aid programs into five main categories, giving states more flexibility over education expenditures.

The House Education Subcommittee has nearly completed work on a major bill (HR 69) which would continue the education program much along the lines it is presently being administered.

National health insurance is being considered once more. Chairman Mills (D-Ark.) has notified Rep. Rogers (D-Fla.), Chairman of the House Subcommittee on Health, that he would have no objection to that subcommittee holding hearings on NHI legislation. There is an indication from Rep. Rogers' office that plans are being made to hold extensive hearings on such legislation in September. The news of this decision has forced the Administration to begin reconsideration of its health insurance proposals in order to be ready to submit a plan when the hearings start.

JUSTICE, DEPARTMENT OF

LEAA legislation reached the floor of the House on Thursday, 6/14/73. Because of several provisions in the bill, action was not completed and further consideration of the bill will be taken up on Monday.

In the printed version of the hearings of the House subcommittee (No. 5), government witnesses in their testimony indicated that while the audit staff would be increased slightly, the emphasis would remain on management evaluation and reporting done by local state agencies or their representatives. The appendix included an analysis of the law enforcement program which had been prepared by the National Conference of State Criminal Justice Planning Administrators which included recommended minimum standards for state planning agencies (SAP's), which in the case of audits, provided for the use of "CPAs". There was also reference to the GAO audit standards in conducting such audits.

SECURITIES AND EXCHANGE COMMISSION

Commissioner A. Sidney Herlong, Jr. recently announced his resignation from the Commission effective June 29, 1973. He was first appointed to the Commission by Mr. Nixon in 1969 to fill a partially expired term. He had been reappointed in 1971 for a full five years.

Hearings on regulatory legislation (HR 5050) continue before the House Subcommittee on Commerce and Finance. Testimony this past week has centered on the regulatory controls presently available to the Commission and proposed modifications to increase its authority.

Earlier testimony had centered on the degree of "independency" of the Commission from executive control. The hearings are expected to continue for the next few weeks.

Timely and properly filed periodic and current reports were the subject of a recent release (34-10214) of the Commission (see the 6/11/73 SEC News Digest for a full text of the release).

The SEC has expressed its concern with the failure by many issuers who are subject to the

periodic reporting requirements of the federal securities laws to comply with those requirements. Close monitoring by the staff has been directed. The Commission, in appropriate instances, may use temporary suspension of trading as one method of enforcing these reporting requirements. In addition, the Commission may institute court actions or administrative proceedings to compel the filing of delinquent reports and/or enjoin future violations of the reporting requirements.

A recent interpretation of the net capital treatment to be given to securities positions, transactions and obligations in suspended securities was recently issued (Rel. No. 34-10209 of 6/8/73). The interpretation of rule 15c3-1 by the Division of Marketing Regulation was released in the form of a letter to the National Association of Securities Dealers. It addressed several of the questions recently raised over a proper interpretation of the net capital rule in such instances.

TREASURY, DEPARTMENT OF

Pension legislation hearings have concluded in the Senate, and the subcommittee staff will now begin work on a report of its findings. No deadline has been set by Sen. Long (D-La.), Chairman of the Senate Finance Committee.


In the House, the Pension Task Force has concluded hearings on the final portion of its measures, and is expected to issue a report on its findings and recommendations prior to the August recess.

A "foreign tax haven manufacturing corporations" statement has been issued by the Department. It explains in greater detail the tax changes involved, which were part of the Department's proposals made on 4/30/73.

Copies of the statement are available through the Department's public information office, 202/393-6400.

CPA'S IN THE NEWS

Henry E. Bodman, II, partner in the firm of Touche, Ross & Co., Washington, D.C., was killed in an automobile collision on 6/7/73. He had recently joined the firm's Washington operations about six months ago after heading its offices in Madrid, Spain for the last four years.


Wade S. Williams
Manager
Federal Information
(202) 872-8190